

**Response of
Wisconsin Power and Light Company
to
The Public Service Commission of Wisconsin
Data Request No. 1.15**

Docket Number: 05-CE-137
Date of Request: January 29, 2009
Information Requested By: Ken Detmer
Date Responded: February 16, 2009
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Witness: (If other than Author)

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p. 43 Table as Appendix C; Catalyst disposal: Provide estimated cost for catalyst disposal and explain how this is incorporated into the EGEAS analysis.

Response:

The catalyst disposal cost were annualized over a three-year period at [REDACTED] per year.

For specification in the EGEAS model, the catalyst disposal cost was classified as a variable operation and maintenance (O&M) cost and combined with other variable O&M costs for the SCR. The total SCR variable O&M costs were escalated at [REDACTED] percent per year over the remaining life of Edgewater Unit 5. The variable O&M SCR costs were combined annually with other variable O&M costs specified to operate the Activated Carbon Injection (ACI) system to control mercury emissions, and base-level variable O&M costs for Edgewater Unit 5. The combined total of these annual costs were then reduced to 75 percent of their total to account for the partnership arrangement that WPL has with Wisconsin Electric Power Company for Edgewater Unit 5. The remaining amount of variable O&M costs were converted to a \$/MWH value using an historical [REDACTED] taken from the WPL FERC Form 1, [REDACTED]. A 2008 base value of [REDACTED] / MWH was entered into the Unit Data – Production Cost Information Screen for the units specified as Edgewater Unit 5 with the SCR added. An [REDACTED] escalator was also specified in the Schedules screen, reference [REDACTED]. This [REDACTED] escalation rate [REDACTED]

[REDACTED]

[REDACTED]